STRATEGY RESEARCH PROJECT

VALUE OF 360 DEGREE EMPLOYEE PERFORMANCES APPRAISALS IN THE UNITED STATES ARMY

BY

Colonel Michael A. Marvin
Illinois Army National Guard

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Colonel Michael A. Marvin
Illinois Army National Guard

Colonel Herbert F. Harback
Project Advisor

U.S. Army War College
Carlisle Barracks, Pennsylvania 17013

ABSTRACT

AURTHOR: **Marvin, Michael A. (COLONEL), IL ARNG**

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The Army's officer evaluation reports (OER) has been ineffective in evaluating CURRENT individual job performance. Instead, its focus and use has been consistently on future potential; the assessment of ability to perform at the next higher rank or position. In doing so, OER's have failed in advising officers on strengths or shortcoming displayed in their day to day performance of duty. One reason for this failure is that inflation of the current instrument makes it almost impossible to place critical comments on an <u>effective</u> officer's OER for fear of damaging the individual careers. The purpose of this SRP is to determine if a need to evaluate current performance exist. If so, would the Army's culture be adaptable to a more objective (i.e. 360 degree) tool. And, as a result could the weaknesses of the current system be overcome and the described "performance rating" void be eliminated, while simultaneously providing valuable feedback to improve officer performance and abilities.

Table of Contents

VALUE OF 360 DEGREE EMPLOYEE PERFORMANCE APPRAISALS IN THE UNITED STATES ARMY

INTRODUCTION: Intent and Perspective.

The purpose of this paper is to review the status of the officer evaluation (OER) process to determine if a need exists to adopt a new approach to appraisals. The intent is to identify viable options to fill a generally recognized void in the Army officer evaluation process. In turn, this could foster possible changes which might result in a more impartial and more effective evaluation vehicle for the ongoing development of future leaders. In conducting research for this paper, I adopted the assumptions in Figure 1.

There are numerous books and articles written about individual appraisal systems in both the public and private sector. Although the concept of 360 degree appraisals is not new, it is not part of the military appraisal

Assumptions

1) that the Army's culture is conservative and resistant to change.

2) that evaluating current performance is generally important to officer development.

3) that the current OER system does not evaluate individual day-to-day performance effective.

4) that the concept of 360 degree evaluations goes against traditional military thinking on the evaluation process.

5) that the experiences of other large, complex organizations within the U.S. can be applied to the Army organizational structure with similar results.

Figure 1.

process. Therefore, my review of materials necessitated some research outside of the military personnel experience.

There has been little corroborative research accomplished with regards to the potential for acceptance of major changes in the OER process. Changes that I anticipated could be considered radical by senior military officials, and Army officers in general. To deal with this, I conducted a survey of senior field grade officers regarding their perceptions of the viability of a 360 degree instrument for evaluating officer's performance and it's potential for organizational acceptability. To analyze the results obtained, I assembled a group of senior Army officers from different backgrounds, experiences, and components, to: (1) discuss the survey results; (2) discuss the survey instrument itself; and, (3) discuss the implications of the results for the Army. The results of these interviews and the survey are reported in this piece.

OVER FORTY YEARS OF TRADITION.

> Few things seem more basic to a personnel system than the requirement to appraise individual performance regularly and ensure that the organization uses this information in making training, compensation and advancement decisions. [1]

This quote from Jay Shafritz's book, <u>Personnel Management in Government</u>, sums up the generally accepted thinking on the

2

subject of performance appraisals within the federal government, to include the Department of Defense.

The federal government initially addressed the methods currently accepted and practiced within the military appraisal process with the enactment of the Performance Rating Act of 1950. When investigating the need for change in the military evaluation process, the first question centers on how successful has this process been since 1950. More specifically, have performance appraisals served their intended purpose? From a very myopic perspective, the answer is "yes." Performance appraisals are used, almost exclusively, to make decisions on retention, promotion, and selection for assignments and advanced training. In its current version, DA Form 67-8, the Army OER attempts to evaluate two distinct facets of individual performance: current job performance and potential for future assignments and advancement. But, is evaluating an individual in his present position and evaluating his potential for advancement synonymous? I will attempt to show that it is not.

I discovered that it was commonly perceived, by the officers that I surveyed and interviewed, that there is a connection. I believe this is the result of our familiarity with the instrument. We make numerical and narrative judgments as raters on the officers current duties. These judgments, in my opinion, are subjective. Furthermore, vague generalities and superlatives

are usually found in the narratives. It is common knowledge that OER's are used to determine promotability and selection for assignments. This association of our focus as raters with our knowledge of the instrument's use, may explain why officers would infer a relationship between performance and potential.

Yet, the same twelve officers surveyed indicated that the Army's current and past OER's have been ineffective in evaluating current individual performance of duty. In fact, they overwhelmingly concurred that the primary focus and use has consistently been on future potential; the assessment of ability to perform at the next higher rank or position.[2] Both assessments are accurate. From this it would appear that OER's have failed in advising officers on strengths or shortcoming displayed in their day to day performance of duty. A further complication is that inflation of the current instrument makes it nearly impossible to place critical comments on an _effective_ officer's OER for fear of damaging individual careers.

Even if there was a connection between current job performance and future potential, there remains an issue as to the accuracy of evaluation of current performance as a true indication of potential for advancement or advanced training. Most psychologists and personnel management experts on the subject would suggest that they are not accurate predictors of potential. They assert that the purpose of any form of appraisal

process should be to measure the effectiveness of the work being performed to provide a basis to improve or reenforce future performance (and not future potential). Arthur Meidan suggests in his book, <u>The Appraisal of Managerial Performance</u>, that,

> The concept of effectiveness and efficiency are often confused - or erroneously assumed to be identical. It is important to distinguish between the two. ...Efficiency can usually be measured by the productivity of the resources used, while effectiveness, in general, [related to individual performance] requires more complex measurements.[3]

If one accepts the proposition that there is no quantifiable relationship between performance and potential, then it should follow that **traditional performance appraisals would have little impact on work performance or productivity in the workplace.** I believe that under the current Army OER, it does not. Within the military it has been a management tool. There is no published evidence, that I could find, which documents any behavioral change or increased productivity associated with the military appraisal process. As a matter of fact, the opposite seems to be more likely.

If this is true, then **there may well be an issue on the need to evaluate current performance.** If the need does exist, **is the Army OER the appropriate instrument?** It seems to me that you must first answer this question before you can address the key question of **what changes should the officer appraisal process undergo (if any) as we move toward the Twenty-first Century?**

The first step in providing the answer is to define the purpose of the officer evaluation process within the United States Army. As a result of my survey, the perceived purpose of the Army OER is to justify officer assignments selections and identify potential for promotion.[4] This, however, is not in concert with published federal guidance. Shafritz discusses the traditional purposes of the federal appraisals process as put forth by the Office of Personnel Management (OPM). They are listed in figure 2.[5]

Two of the functions listed in figure 2 relate directly to correcting behavior and two others relate to matching compensation with demonstrated skills. All relate only to current or past performance and not future expectations nor potential. Yet, Army OERs are used, almost exclusively, to determine future potential.

Office of Personnel Management
Purposes of Federal Appraisals

1. change or modify dysfunctional work behavior;

2. communicate to employees managerial perceptions of the quality of their work;

3. assess skill deficiencies in employees and to recommend appropriate compensation levels;

4. assess whether or not the present duties of an employee's position have an appropriate compensation level; and,

5. provide a documented record for disciplinary and separation actions

Figure 2.

WHY WE ARE NOT CRITICAL.

Beyond that disconnect, there exists the interpersonal aspect that causes OERs to be subjective, impressionistic, and unbalanced. Psychologist state this is because supervisors have difficultly in writing useful and objective performance reports. We all, to a certain extent, are reluctant to be critical of others. It is not easy for supervisors, who are not trained in psychology, to label behaviors and suggest corrective action. More so when observations are not made on a daily basis or the supervisor is not a technical expert in the work being supervised. And most condemning, the entire process is subjective and unilateral.

THE OTHER SIDE OF THE COIN.

Conversely, the framework Meidan prescribes to "businesses" for developing a successful appraisal program is shown in figure 3.[6]

In contrast to the OPM traditional purposes, the above model for performance appraisals

Appraisal Process Framework

1. The method of appraisal should attempt to appraise a measurable organizational objective against preselected, verifiable goals.

2. The method should be operational; it must take into account what is being done and how various jobs are carried out.

3. The method must be objective; it must be verifiable so that it is possible to determine whether goals have been accomplished.

4. The method should be participatory; it must be accepted by those being appraised. This is why participation by both appraiser and appraised individual in jointly considering the program is of the utmost importance.

5. The method should be constructive; it should be aimed at improving the abilities and performance of the [individual] being appraised. It should be able to point out weaknesses and provide learning experiences.

Figure 3

7

directly relates to effectiveness and individual development. It does not focus on measuring promotion potential or determining compensation changes. Therefore, much of the intimidation and fear associated with traditional forms are absent. More importantly, this method is bilateral. It requires the participation of both the appraiser and the appraised individual in development of the measurements and goals. This allows the rater and ratee to be more candid about the review process. In summarizing this approach, Meidan concludes that,

> Essentially, the aim is to appraise past performance and provide the groundwork for ongoing improvement - in the present job. If one wants to go one step further and also look at promotability, there is no reason this cannot be done at the same time. But assessing [an individuals] promotability is different from assessing the person's ability in his or her own job. Failure to realize this often results in individuals being promoted to the point where they become clearly inefficient.[7]

This is exactly the environment into which the current OER has evolved. This and other perceptions have direct consequences with regards to how a rated officer views the appraisal process, as well as how the appraiser views his responsibility in producing the appraisal. Since perceptions have significant impact on an individual's view of reality, it is worthwhile to understand commonly accepted management factors before going further. Tables 1 and 2, on the next page, display the different goals of the federal performance appraisal process as viewed from the organizational and individual perspectives.[8]

Organizational Perspective	**Individual Perspective**
Traditional Personnel Management Factors	Human Resource Management Factors
1. *Linkage to Compensation/Productivity* - Documents productivity objectives to lead to some form of reward.	1. *Equity* - Does appraisal measure accurately, without bias, skills/potential of employee.
2. *Career Selection* - Organization identifies best, selects out worst.	2. *Development* - Does appraisal help individual grow; vertically;(ie. role/responsibility) horizontally;(ie. master various skills/work concepts).
3. *Training Needs Assessment* - Identify performance gaps.	3. *Individuation/Security* - Does appraisal help to maintain individuals in their jobs and their careers.
4. *Improving Supervisory-Subordinate Communication*	
	4. *Participation* - How do individuals participate in the appraisal process.
5. *Documentation of Work Agreements* - Used to provide form of accountability for areas of high task ambiguity and employee independence.	5. *Integration/Support of other HRM functions.*
TABLE 1	
	TABLE 2

STEPPING OUT OF THE BOX.

A critical element of any genuine performance appraisal process is feedback. Some researchers assert that negative feedback or no feedback leads to a greater distrust of any performance appraisal system. With regards to the negative attitudes that employees (ratees) have toward the process, Dipboye and DePointbriand, in "Correlates of Employee Reaction to Performance Appraisals and Appraisal Systems", a work on employee

9

reactions to appraisals, emphasized that,

> [T]he long term effectiveness of the [performance appraisal] system is as subject to employee opinions of the process as it is to the validity and reliability of performance appraisal measure[ments].[9]

For example, within the United States Army, it is entirely up to the rater to decide if one-on-one feedback will occur. In the federal system, the traditional process prescribed by OPM is very similar. The appraiser controls the feedback process. Even with the new Total Army Performance Evaluation System (TAPES) introduced in June 1993 (for Department of the Army civilian employees), the feedback loop is controlled by the appraiser. According to Dipboye and DePointbriand, the perceptions of the ratees with regard to the objectivity of these instruments are negative.[10]

SURVEY METHODOLOGY.

To gain insight from current senior officers on the perceived effectiveness and viability of the current evaluation system, I conducted a sample survey. The instrument was designed to: (1) solicit opinions on the OER's perceived purpose (i.e. job performance feedback for development; or tool to differentiate between candidates for promotion; or both.); (2) gain perceptions regarding who might have the most objective view of an individuals actual demonstrated job performance (i.e. supervisors; peers; or subordinates); and, (3) obtain opinions on the potential of 360 feedback acceptability to the Army Culture.

10

SAMPLE SIZE DETERMINATION AND EVALUATION.

The sample size for the survey was dictated by the number of Shippensburg students in a position to have an opinion on the current status of the evaluation process within the United States Army. I determined that Army officers in the grade of Lieutenant Colonel and above would qualify as my sample population. They were an immediately accessible population that would meet the sampling frame established for a pre-test survey.

I concluded that this would represent a stratified sample and as such would more likely to be representative. I determined that 19 officers met the criteria as a participant. From that selected target group, I received responses to the survey from 12. This represents a 63 percent return, which I considered acceptable for my purposes.

EVALUATION OF THE QUESTIONS USED.

The questions selected were chosen to solicit opinion in six specific areas. These areas are shown in Figure 4. These were question areas which I believed would provide

Survey Areas of Interest

1. Superiors ability to evaluate current performance?
2. Peers ability to evaluate current performance?
3. Subordinates ability to evaluate current performance?
4. Current Officer's Evaluation Reports' (OER) ability to effectively measure job performance?
5. Current Officer's Evaluation Report's ability to effectively measure future potential?
6. Individuals perceptions of 360 feedback instruments related to the development of strategic leader development?

Figure 4

valuable data on attitudes about the officer evaluation process

and the perceived need for, and acceptability of, a 360 degree

feedback instrument. In analyzing the statistical results and

the reenforcing comments from the open-ended questions, I used

this data to draw general conclusions about the confidence level

of senior Army officers in the current OER and the potential

acceptability of a different OER instrument. (The entire survey

results are attached at Appendix A.)

SURVEY RESULTS.

On the issue of perceptions of the OER process, the survey

results indicated that:

(a)Officers surveyed believe feedback is important and

nearly half believed that their superiors were in the best

position to evaluate their performance. Officers surveyed also

indicated that their superiors DID NOT routinely provided

feedback to them on their performance of duty; and thus I

concluded that officers believed feedback important and perceived

that they were not receiving it.

With regards to these specific questions, I wanted the
respondent's views on their superiors perspective as a rater and
the value of feedback from superiors. Less than half of the
respondents (49 percent) believed that superiors (supervisors)
were in the best position to evaluate performance. An
overwhelming 99 percent believed that feedback was important, yet
91 percent indicated that they did NOT receive it from their
superiors in previous jobs. This was perceived to be the case

12

for several reasons. Predominate was the lack of specific goals
or objective standards of performance being established during
the rating period.

(b)Officers surveyed were in strong agreement that the
current OER (67-8) was predominantly used in the selection for
promotion and to identify potential for promotion. There was
disagreement, but not as strong, on the OER's role in selection
for next assignments and selection for military schooling. The
majority believed, in both cases, that the OER had little bearing
on either.

Regarding the influence of the OER (67-8) in the area of
promotion selections, 91 percent agreed or strongly agreed that
the OER play a large role. In the area of assignments, 50
percent felt that the OER was not crucial in this process. A
larger 74 percent felt that the OER was not crucial in school
selections. From this I concluded that senior Army officers
envision the primary function of the Army OER is to determine who
will be promoted. Although, they indicated by their response
that another primary purpose was to evaluate current performance.
Their responses to other questions indicated that this function
was not being fulfilled.

(c) Officers surveyed indicated that 360 degree feedback
would be beneficial in the development of leaders. (This is
consistent with early responses on general feedback from
supervisors being beneficial.) However, a high number believed
that the 360 degree instrument would not be accepted by the Army
culture.

Regarding the benefits of 360 degree feedback, 83 percent

agreed or strongly agreed that it would be a positive aspect in leader development. Yet, 49 percent believed that the current culture of the Army would not accept 360 degree feedback, another 25 percent were neutral on the same question. From this I concluded that, although feedback would be beneficial, the average Army officer would not accept it in the current culture that exist. Thus, to introduce 360 degree evaluations would also require a cultural change to take place prior, or at the least concurrently.[11]

BREAKING THE MOLD.

Dipboye and DePointbriand asserted that positive attitudes toward appraisals are dependent upon participation in the process, orientation toward goal setting, and relevance of the process to their actual jobs or tasks. One very interesting aspect of their study was that they found,

> [E]mployees were more receptive to negative feedback
> if, (a) they are allowed to participate in the feedback
> session, (b) plans and objectives are discussed, and
> (c) they are evaluated on factors relevant to their
> work.[12]

Other studies on the positive aspect of feedback support the same position. Work done by Jerald Greenberg in 1986 tended to corroborated the finding of Dipboye and DePointbriand. Greenberg found that employees linked their input to the perceived fairness of the proceedings and found that current workforces have become

aware of the importance of worker input. In fact he says that, "workers today [1986] consider input a prerequisite of fair appraisals".[13] In this regard, are soldiers different than other employees in the private sector? My research suggests not!

Although the capability exist within the OER process which facilitates input from the rated officer (DA Form 67-8-1, OER Support Form), the results of the survey indicate this is not happening and the comments of the officers interviewed indicated that more often that not, the support form is completed in conjunction with, or just prior to, the execution of the OER. I believe it is safe to assert, that with some exceptions, the Army OER process tends to be void of bilateral participation.

TRADITION vs. NEED.

It seems apparent that appraisals must be participatory, if they are to be perceived by employees as accurate or useful. The appraisal is not represented as the exclusive decision making tool, when considering the traditional purposes that Shafritz listed for the federal appraisal process. It serves as the discriminator in most cases, and not as the primary instrument. For example, in job selections (promotion), candidates are screened based on qualifications, previous positions, education, experience, and occasionally interviews. If after this screening process there are several relatively equal candidates, performance appraisals are used to break the tie. With the

15

exception of bonuses and rewards, which do not normally apply to men and women in uniform, I believe that the same argument for the other four factors can be applied to the Army.

EVALUATING FORCE XXI.

What changes should the OER process undergo as we move into the Twenty-first Century? Can we proceed with the same type of instrument in a smaller Army and expect the BEST to be always selected and promoted by the existing process? Should we revise the appraisal process to bring it in line with current business doctrine and management theory? (ie. MBO, TQM, etc.) If so, should the instrument of choice to do this be some form of 360 degree appraisal?

These types of instruments have been documented as having corrected behavioral patterns early on in a manager's (officer's) careers.   In this area, some work has been done for the Army. Two similar approaches were presented by Doctor Herbert F. Barber and Col. Michael McGee at the Strategic Leadership Conference, held in April 1994 at the U.S. Army War College, Carlisle Barracks. The title of their presentation was, "When and How to assess Strategic Leader Potential?"

The focus of Barber and McGee's report was the need for the early identification and development of strategic military leaders for the future United States Military. They based this

16

requirement on two premises:

    1) that the demise of the former bipolar world has thrust
    the U.S. military into an evolutionary and unstable
    environment that is without historical precedence;

    2) that the recent downsizing of the U.S. military has
    severely reduced the pool of available officers from which
    strategic leaders are drawn.[14]

The methodology employed was to analyze and compare

individual self-assessments with superior, peer and subordinate

assessments of the same individuals. These authors assumed in

their presentation the existence of a need to identify and

develop future military leaders. The issue that they believe

remains undetermined is "when" the initial process should begin

(i.e. at what stage of an officer's career) and "how" these

assessments should be accomplished, provide feedback, and monitor

the progressive behavioral changes in the targeted individuals.

Research into this particular area is relatively new to the

military, thus there is little previous work on this specific

topic with which to compare. However, the study of performance

appraisals within the private business sector and the application

of 360 degree evaluations have been ongoing for several years.

In a report written for the Center for Creative Leadership,

Morgan W. McCall, Jr. and David L. DeVries argue,

    It is puzzling to realize that so much research has been
    expended on an organizational tool which conflicts with
    organizational realities in so many ways... only one finite
    organizational tool, [appraisal] is expected to serve many
    purposes. The majority of organizations polled in recent
    appraisal surveys use appraisal[s] for most, if not all, of

17

the following purposes: promotion/ retention/ discharge
decisions, salary administration, training/ development, and
employee counseling. ...By demanding that performance
appraisal be an organizational tool for all seasons, the
tool has in turn taken on the properties which make it
incompatible with the organization it is meant to serve.[15]

McCall and DeVries' work focused specifically on managerial
appraisals. They point out that most changes in appraisal
systems center on improving the instrument, when, in their
opinion, the majority of the problems are with the rater.

SOME CORPORATE MODELS.

Over the past decade there has been a tendency for
businesses in the United States to move away from the traditional
forms of organization and evolve into new organizational
structures. For the most part, these new forms result in flatter
organizational structures. Corporate management has had to
change along with these evolving models. Second, and in some
cases, third line supervision has been eliminated or has become
less formal. Traditional managers have had to adapt to the role
of facilitator or mentor, as opposed to supervisor and autonomous
decision maker.[16] With this shift in philosophy to newer
methods, one commonly accepted premise is the necessity for the
process to be participatory.

In a 360 degree model, an individual's BEHAVIOR is evaluated
by several persons who have varied perspective of the appraised
individual. This collective approach has the tendency to offset

18

or minimize individual bias. But the need to separate appraisals from compensation is also a critical component. The reasons become clearer in the following examples.

Johnsonville Foods, Inc. of Sheboygan, Wisconsin went to a team-management concept over ten years ago. They did this because the company was on the verge of bankruptcy. However, their wage scale remained tied to an old traditional appraisal process. This was becoming increasingly frustrating for employees, "...and it had gotten to the point where no one knew how to get a raise."[17] Their frustration was linked to the fact that productivity was a result of team effort. But their individual value, and therefore compensation and promotability, was measured by an unrelated unilateral appraisal process. To solve their problem they developed a peer rating process in which individuals "test out" to the next level of compensation.

Peer rating is different than 360 degree rating, in that in the latter, your subordinates rate you, too. This concept has its advantages and disadvantages. As Brian O'Reily put it in his article on 360 feedback, "What your boss, your peers, and your subordinates really think of you may sting, but facing the truth can also make you a better manager."[18] His comments were in relation to the appraisal process developed by Raychem Corp. to evaluate their top management. Even the CEO in this organization is "360'ed." In this model the individual appraised 'hand picks'

19

some appraisers and the remainder are randomly selected. The
information is computerized and the results reviewed with the
individual by a human resource specialist (not a supervisor).

Unlike the Johnsonville model, the Raychem model is not used
to determine compensation levels. This decision was made because
they believed that,

> [W]hen used as the basis for formal performance
> evaluations, things change. Friends pump up your
> scores, rivals become remarkably lukewarm, and that
> staff boob you keep reaming out cuts you dead.[19]

At Raychem the 360 degree evaluations are semi-confidential
and used exclusively for individual development. Coupling those
two aspects led them to believe the process would be completely
unbiased and the results would be objective.

Another argument for not tying assignments, training, and
promotion to 360 degree appraisals is that when they are coupled,
the fear and anxiety associated with the traditional type of
evaluation is present. Ford Motor Company developed a new rating
process to go with their "Quality Circles" team approach to
automobile production. It was a peer rating concept tied to
compensation. In Ford's view, peer pressure was more likely to
change behavior than an annual review with a supervisor.
However, not everyone at Ford agreed. Personnel Relations and
Organization Development Manager, Tom Sisk, made this comment,

> You can't say you want open and honest feedback and then

hurt people when they give it to you. If it's a closed
system where covert operations determine success and people
are playing games, then this won't work[20]

His comment was directed to the fact that if compensation is

tied to appraisals, games will be played. Trust in the process,

regardless of the method, seems to be strongest when financial

consequences are separated from performance evaluations.

A review of TAPES revealed that it continues to use a

hierarchial rating scheme. In fact, it adds more layers than

were required in the past. The literature I have researched

would lead me to believe that this instrument will follow its

predecessors and become quickly inflated. The major changes are

a mandated initial counselling to determine goals, and the

minimum of one follow-up session at a mid-review period.

OPM conducted a survey, in 1979 and again in 1989, of 14,000

federal government employees. Less than half thought that their

appraisals were accurate and fair, over half thought that their

superiors gave them the same rating regardless of performance.

The system was perceived to be arbitrary, inflated, and preset.

Shafritz believed that OPM understated their results as he quoted

from their study,

> [T]he current usefulness of performance feedback is
> questionable at best... almost half of the
> employeessaid their performance ratings are not useful
> in assessing their strengths and weaknesses, improving
> their performance or determining their contribution to

21

the organization. Even more said that feedback is not helpful either in planning for or receiving needed training... and over 60 percent of the survey respondents reported that they had little or no involvement in the determination of their performance standards.[21]

Thus, the perception of this bilateral federal employee appraisal system was negative even when the employee was involved in the feedback process. Considering that previous studies were extremely critical of the federal appraisal process, the similarity of the new instrument may be a reflection of a strong resistance to change.

Is the resistance to change in the military as strong as in the federal civilian sector? One of my initial assumptions was that major changes in the officer appraisal process would not be accepted. Yet, interestingly, the senior officers I interviewed were unanimous in their belief that a 360 degree process would work, and be acceptable, if it was not used as a basis for promotability and remained confidential. Another concern which became clear during the group interviews was the distinct nature of the military. (eg. military officers, by indoctrination and training, by their acceptance of command authority and professional subordination, are oriented differently than officers of private corporations.) Thus, according to those officers interviewed, accommodation of this distinct military orientation would need to be considered in the development of any multi-tier rating instrument for the Army.

THROWING OUT THE BABY WITH THE BATH WATER.

Previous cited research indicates that linking compensation
to the performance appraisals will influence the attitudes and
behavior of both rater and ratee. It also seems apparent that
for the foreseeable future, federal agencies will continue on the
same course. That is, combining the two.

In a report on "Performance Appraisals", Frank M.
Chliszczyk emphasizes,

> Unfortunately, the two primary purposes for
> performance appraisals do not complement each other.
> In fact, they're inclined to militate against each
> other by trying to satisfy the two diverse interests...
> When used as a judgmental tool to help make
> administrative decisions, the propensity is to be more
> lenient.[22]

This is not because managers necessarily want to boost or
artificially reward their employees, they simply don't want them
to fall behind their peers.

The group of senior field grade officers who reviewed the
survey results came to some of the same conclusions. They felt
frustration in the fact that critical ratings can have longterm
adverse impact and therefore are infrequently made. Their
impressions were that other, more subtle, means were available
via the narrative blocks to indicate the individuals true
potential. Their consensus was that everyone (military senior
raters and board members) understood how the "system" worked, and

23

as a result of that, it was equitable and still "usable", if not perfect.

RECOMMENDATIONS.

With regards to my survey, I believe the pre-test validated the survey type selected. I would strongly recommend that follow on work be done on this subject. If I were doing a major survey on the same subject, I would use a similar instrument. However, I would make certain modification.

The quantity of questions, 20 closed-ended and 4 open-ended, were sufficient to validate the question area responses. In an major survey, I would expand the closed-ended question selection to somewhere around 40 or 50 questions. This would allow a specific question area to be broken down in several more ways to obtain more specific details on the respondent's opinion. I would also include more open-ended questions at the end, probably 6 to 10. Open-ended questions add validity to the closed-ended responses and help to qualify the respondent's opinion through elaboration in written narrative form.

CONCLUSIONS.

I concluded, from my survey and research in both the private and public sectors, that traditional appraisal instruments are negatively perceived. Because of this, they may have little impact on productivity or behavioral modification. It also

24

appears that behavior modification cannot effectively be accomplished through a top-down feedback process. It would appear that, behavior patterns presented by a superior are only valid to the extent that they agree with the individuals own perception of his behavior.

The function of federal performance appraisals have been to support decisions on command selections, training, and promotions. As vehicles to improve effectiveness or develop individual skills, they have not been successful. Even though they have been traditionally designed to do both.

Based on my review of TAPES, federal performance appraisals will continue to be, for the foreseeable future, used as in the past; with the slight possibility that initially scores will be lower. However, inflation will creep them back to the top two blocks. I think this is a safe assumption as long as we continue with a top-down process that evaluates potential based on performance measurements.

Eventually, I believe we will need to someday apply "Solomon's Wisdom" and divide the baby. Simply stated, we should separate assignment and promotion decisions from performance evaluations. There are viable alternatives to measure contribution and potential for assignments and advancement. As stated earlier, performance appraisals are more a discriminator

25

than the primary instrument in arriving at factors in such administrative decisions.

Within the Department of Defense the pressure for change will eventually come. As downsizing continues and job requirements remain level or increase, the need to be creative will force new organizational concepts. Especially if uniformed military downsizing continues; the percentage of civil service positions continue to grow; and military organizational structures cut out middle management layers. This will probably force more team focus and delegation of routine decision authority to lower levels. As this happens, we may be forced to revamp the officer appraisal system and develop means of measuring and improving current performance. I base this on the last 15 years of corporate downsizing experience. When we reach this point, the development of a "360 degree rating" process can be attempted. However, to be of any valid use, it must be kept completely separate from efficiency reports and not used for board actions.

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VALUE OF 360 DEGREE EMPLOYEE PERFORMANCE APPRAISALS IN THE UNITED STATES ARMY

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COL Michael A. Marvin
Strategic Research Paper
USAWC Box 198

27 November 1995

Survey Research Project

Survey Subject: Value of 360 feedback to the Army as an
instrument to measure future performance standards.

Survey Purpose:

(1) To gain insight from senior officer's perspectives on the
perceived effectiveness and viability of the current evaluation
system, its actual purpose· (i.e. job performance feedback for
development; tool to differentiate between candidates for
promotion; or both.)

(2) To gain perceptions regarding who might have the most
objective view of an individuals actual demonstrated job
performance (i.e. supervisors; peers; or subordinates).

(3) To obtain opinions on the potential of 360 feedback being
acceptable to the Army Culture.

1. Analysis of Survey Results:

The survey instrument contained twenty close-ended questions and four open-ended questions. They focused on six specific question areas in which I desired to obtain opinions. They are:

1. Superiors ability to evaluate current performance?
2. Peers ability to evaluate current performance?
3. Subordinates ability to evaluate current performance?
4. Current Officer's Evaluation Reports' (OER) ability to effectively measure job performance?
5. Current Officer's Evaluation Report's ability to effectively measure future potential?
6. Individuals perceptions of 360 feedback instruments related to the development of strategic leader development?

Initial results from my analysis indicates the following:

(a) Senior officers surveyed believe feedback is important and that their superiors are in the best position to evaluate their performance; and thus I concluded that they (superiors) are perceived to be in the best position to provide that necessary feedback.

(b) Senior officers surveyed indicated that their superiors DID NOT routinely provided feedback to them on their performance of duty; and thus I concluded that officers believed feedback important and perceived that they were not receiving it from the person in the best position to provide it.

With regards to these specific question areas, I wanted to look at the respondents view on the superiors perspective as

Appendix A.   A-II

*a rater and the value of feedback from superiors. Almost
half of the respondents (49 percent) believed that superiors
(supervisors) were in the best position to evaluate
performance. An overwhelming 99 percent believed that
feedback was important and 91 percent indicated that they
did NOT receive it from their superior in previous jobs.*

(c) Senior officers surveyed felt that their peers WERE NOT
in a position to effectively (objectively) rate their
performance. A third of these officers believed that their peers
were their competition, and thus not objective. However, a large
percentage did not see their peers as competition.

(d) Senior officers surveyed felt that their subordinates
WERE capable of interpreting (objectively) their actions.

*Regarding their peers being in a position to effectively
evaluate their performance, 50 percent believed peers were
NOT in a position to effectively evaluate them. Another 25
percent were neutral as to peers abilities to evaluate them.
Yet, regarding their subordinates, 50 percent believed that
their subordinates WERE capable of objective evaluating
their actions. If doing a major survey on this topic, I
would expand the questions in this area to include specific
questions about the acceptability of subordinate ratings.
(These were not included it the current instrument.)*

(e) Senior officers surveyed were in strong agreement that
the current OER (67-1) instrument was prominently used in the
selection for promotion and identifying the potential for

promotion. There was majority agreement, but not as strong, on

the OER's role in selection for next assignments and selection

for military schooling. The majority believed, in both cases,

that the OER (67-1) had little bearing on either.

> *Regarding the influence of the OER (67-1) in the area of*
> *promotion selections, 91 percent agreed or strongly agreed*
> *that the OER play a large role. In the area of assignments,*
> *50 percent felt that the OER was not crucial in this*
> *process. A larger 74 percent felt that the OER was not*
> *crucial in school selections. From this I concluded that*
> *senior Army officers envision the primary function of the*
> *Army OER is to determine who will be promoted. Although,*
> *they indicated by their response that another primary*
> *purpose was to evaluate current performance. Their responses*
> *to other questions indicated that this function was not*
> *being fulfilled.*

(f) Senior officers surveyed indicated that 360 degree

feedback would be beneficial in the development of leaders.

(This is consistent with early responses on general feedback from

supervisors being beneficial.) However, a high number believed

that the 360 degree instrument would not be accepted by the Army

culture.

> *Regarding the benefits of 360 degree feedback, 83 percent*
> *agreed or strongly agreed that it would be a positive aspect*
> *in leader development. Yet, 49 percent believed that the*
> *current culture of the Army would not accept 360 degree*
> *feedback, another 25 percent were neutral on the same*
> *question. From this I concluded that, although feedback*

would be beneficial, the average Army officer would not accept it in the current culture that exist. Thus, to introduce 360 degree evaluations would also require a cultural change to take place prior, or at the least concurrently. If I were doing a major survey, I would include additional questions to gain specific opinions on how we could overcome this dichotomy of feedback being beneficial and at the same time unacceptable.

2. Areas in which survey fell short.

In hindsight, I believe that I attempted to do too much with one instrument. I should have focused more on potential for a new OER instrument, instead of inquiring about their perspective on the current OER (67-1). Perspectives on the current instrument (67-1) are already commonly known and the responses to questions related to it revealed no new information. Focusing on the potential for a new instrument to replace the OER (67-1) would have gain fresh perspective from which I could have drawn data on the acceptance of a new instrument as well as drawing inferences about attitudes toward the current OER(67-1) by determining the reaction to an alternate form.

3. Evaluation of the Questions used.

The questions selected were chosen to solicit opinion in six specific areas. These were question areas (see section 1., above.) which I believed would provide valuable data on attitudes about the officer evaluation process and the perceived need for, and acceptability of, a 360 degree feedback instrument. In

analyzing the statistical results and the reenforcing comments from the open-ended questions, I think I could use this data to draw general conclusions about the confidence level of senior Army officers in the current OER (67-1) instrument and the potential acceptability of a different OER instrument. I also think that the pre-test validated the survey type selected. I would however, make certain modification, as outlined below.

The quantity of questions, 20 closed-ended and 4 open-ended, were sufficient to validate the pre-test instrument and the question area responses. In subsequent surveys, I would probably expand the closed-ended question selection to somewhere around 40 or 50 questions. This would allow a specific question area to be broken down in several more ways to obtain more specific details on the respondent's opinion. I would also include more open-ended questions at the end, probably 5 to 6. Open-ended questions add validity to the closed-ended responses and help to explain the respondent's opinion through elaboration in written narrative form.

4. Other pertinent aspects.

Closed-ended questions were chosen because they are relatively easier to analyze. This is because they yield purely statistical data. This type of instrument also supported the intent of my survey, since I was interested in the sample populations degree of concurrence or non-concurrence with each

statement made within the various question areas. Specific

questions were designed to focus on the same concept from

opposite positions. This should have the effect of obtaining the

same distribution of response to both questions, but in the

opposite direction.

For example, question A. stated a strong positive position

on issue "X" and question B. stated a strong negative position on

issue "X". If my assumption was correct, I could expect that a

60 percent 'strongly agree' response to question A. would yield a

60 percent 'strongly disagree' to question B.

360 Degree Feedback Opinion Survey Results

QUESTION	SA	A	N	D	SD
1	17	33	42	8	
2	42	50		8	
3	8	8	25	50	8
4	17	75		8	
5	8	50	25	17	
6	8	33	17	42	
7		25	25	50	
8		25	25	50	
9	8			75	17
10		33	42	25	
11	33	67			
12	8	67	17	8	
13				58	42
14	8	42	33	8	8
15	25	58	8		8
17		17	25	42	17
17	16	33	25	17	8
18		42	33	25	
19		42	17	41	
20	25	16	25	17	17

The numbers below the keyed letters equal percentages of responses to the corresponding question.
SA=Strongly agree
 A=Agree
 N=Neutral
 D=Disagree
SD=Strongly disagree

360 Degree Feedback Opinion Survey

QUESTION 1: It is commonly accepted that the current OER (67-8) is inflated. Because of that, some say it cannot accurately portray a realistic picture of performance. Do you agree or disagree? Why?

*Disagree. It is the words on potential and duty performance. The stickman profile influences the decision process, but is not the only evaluator.

*Disagree.

*I agree. When ratings are all high - it loses its effectiveness. word pictures become more valuable.

*I agree that it does not portray as realistic a picture of performance as one that is not inflated. However, the 67-8 is a very subjective tool. Because it is more subjective that quantitative, it lends itself to inflation. Can a more quantitative tool be developed which could be of universal use? I don't know. Even with the inflation, it is a relative tool. Senior officers who are below center of mass should be closely scrutinized for schooling, promotions, etc. For the majority in center of mass(COM) and in some cases when COM is top block, there are other means of evaluation, event though informal. I guess what I'm trying to say is the current OER is useful even though inflated. Hopefully there can be a better tool developed.

*Agree, but with exceptions. Although the OER is inflated, the verbiage is not. This word picture of the efficiency of a ratee now becomes even more paramount. There are, unfortunately, some jobs/positions which do not come across as "high-visibility", "intense", and "key". Officers not place in these are, for the most part, equal to those that are. The real test, no matter what position, is to see beyond the job, understand your capabilities and limitations, and simply do the best you can. Your men know sincere dedication... and that will always make it back to those few superiors who bother to seek the truth. Communicating the worth of a individual is the most important part of the OER.

*Agree -- In not wanting to end a career, higher ratings are given when not warranted. -- You give an honest appraisal and the systems kills when that is not the rater's intention. Very capable and professional officers are not always Bn Cdr material.

*It doesn't matter. The OER is used by boards to identify those who should **not** be selected for schools and promotions. In that

*Agree, because everyone is rated very highly and is a "1" block

Appendix A.   A-IX

today-- only nuance is with words used and degree of magnification.

360 Degree Feedback Opinion Survey

*I agree. Too many officers are rated as top performers. The upper 40% of officers' reports read like they are top 10% officers.

*I agree. It cannot be used (in its final & official form) to provide meaningful feedback, to stimulate improved performance where deficiencies are noted (and everyone has them) without damaging an officers career chances.

*Agree. When a rated officer has to write his own report to be signed by the rater, there is something drastically wrong with the system. Raters(supervisors)are still in the best position to write them, but the process must be simplified and made more rater friendly.

*Disagree -- we have all adapted to the inflation. We "know" the right words for a "stud"; an "o.k." guy; and a "dud". Inflated? Yes - but we administer accordingly.

*I agree. The senior rater profile has been touted for years as being the most important element of the OER. Now, inflation has gotten so bad that virtually all OERs are top blocks. The narrative is all that is left and with inflation the way it is, it's increasingly more difficult to discriminate.

360 Degree Feedback Opinion Survey

QUESTION 2: There are plans underway to replace the current OER (67-8). What is one important change you would like to be incorporated into the new Officer Evaluation Instrument? Why?

*Three block profile "UCOM/COM/LCOM"

*Add peer evaluations and subordinate evaluations. Together w/your senior rater the board would get a better overall assessment of the individual.

*Use the 67-8-1 as designed. do the counselling meetings. prepare rating goals met, not on improvements required.

*In order to be a more valid tool, I think we need to get rid of all the numbers. Have rater evaluate current performance by written evaluation only. Requirements would be to address at least three areas where officer could improve, with a plan incorporated to accomplish (the) plan. This could be beginning for next rating period.

*Feedback from subordinates.. Superiors generally see the results of their tasking and guidance. Some leaders "accomplish all assign tasks" by building a superb infrastructure, support mechanism, and morale... others "accomplish all assigned tasks" by destroying everything in their path.

*--We should not implement a new OER until the officer drawdown is complete. -- Add subordinates ratings on leadership and people skills on the OER.

*One rater / Senior rater should not be able to stop a career.

*Evaluation of how well officers counsel/mentor subordinates.

*Take out inflation. Officer either meets standards or not. Then let the narrative describe his performance and potential.

*The form used now would work if accomplished w/o inflation.

*Simplify and make more rater friendly, but with some input from peers and subordinates.

*None. I liked the "old" or current system.

*I'm not sure how, but something that will prevent inflation.

360 Degree Feedback Opinion Survey

QUESTION 3: **As a result of your recent experience with SLDI, do you believe that 360 degree evaluations would improve the quality of senior officers in the Army, if started early in their career and repeated at specific intervals? Why?**

*Yes. Feedback from peers and subordinates is a good indicator of perceptions and abilities by soldier in those grades and positions.

*Absolutely. I personally know a *** (three star) GENERAL who failed every battle at the NTC as a battalion and Bde Cmdr. As a division cmdr he lost every BCTP battle. He stepped on the heads of all his subordinates and has optimized the "me" over everything else. Yet because he's a rhodes scholar, he will probably be promoted to ****.

*Yes. To get the proper perception at all levels. You need to have senior, peer, subordinate input.

*Probably, but I have not thought through all of the ramifications.

*Yes, for obvious reasons. See #2 above, Also, it may be important to remember that the confederates selected their leaders - and removed them when they didn't perform.

*Start 360 degree evals at field grade level only. -- I think SLDI is (,,,,)!(When tied to personalities.)

*No SLDI is a boat anchor. I have worked with SLDI for two years. I know ARI loves it and is trying to force it on the Army. But the administration and bureaucracy is increased 10 fold and the value added is ZERO. SLDI is a red herring.

*Maybe--- my superior and subordinate ratings were very close (on the SLDI). I didn't learn much from the differentials.

*Yes, sort of. It's good to know what subordinates and superiors think of you, but it can't become a popularity contest.

*Yes. Leaders would be forced to face leadership flaws that are (the) primary causes of poor retention.

*Yes. With a 360 degree evaluation, it would be difficult to inflate. I think you'll get a more honest and complete evaluation.

360 Degree Feedback Opinion Survey

QUESTION 4: **What role do evaluations (OER's) play in the identification and development of future strategic leaders?**

*Only in promotions/command select process. Not in professional development.

*Nothing - this strategic leader business has nothing to do with performance. Develop all your skills as a junior officer and the strategic leader will bloom.

*None. In most cases, it is having a mentor.

*Currently, I don't think they play a big role.

*I'm not sure... I don't know who is really qualified to do such things... other than someone who has worked at that level.

*A significant role when used properly. But for strategic leaders, we need something else as a identification tool, starting at the senior 04 level.

*Indirect role. OER's are used to select the individuals who will be put in strategic leadership positions. Most will never be strategic leaders.

*Potential, performance and character qualities (attributes).

*They are the key to picking future leaders.

*Little, if any.

*Evaluations should point out areas of improvement.

*All of our selection procedures are based mostly on OERs, so they play a crucial part.

GENERAL COMMENTS

* 360 evals should include superiors and subordinates only. No peers.

* It may be possible to develop strategic leaders, but the Army doesn't know how.

*360 degree feedback would be good, but I like it more in the SLDI vein, rather than as part of our official evaluation.

*I would be very surprised if anyone could develop an inflation proof OER system.

*OER's have their life expectancy. Our's needs replaced-- and will be.